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22 March 1958

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# CENTRAL

# INTELLIGENCE

# BULLETIN



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## CENTRAL INTELLIGENCE BULLETIN

22 March 1958

### DAILY BRIEF

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#### I. THE COMMUNIST BLOC

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#### II. ASIA-AFRICA

*re* Indonesia: The Indonesian army G-3 states an attack on the dissident center of Padang is planned for the second week of April. A dissident warning that an attempt will be made to sabotage Caltex and Stanvac installations in Central Sumatra rather than permit Djakarta to benefit from renewed operations is causing concern to company officials. In North Sumatra, government forces claim to be successfully dispersing the dissident forces which withdrew from Medan on 17 March. [REDACTED]

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*no*  
25X1 Japan - Taiwan - Communist China: The Japanese Government apparently has been prepared to endorse the controversial private trade agreement with Communist China, but, as a result of the severing of commercial relations by Nationalist China, Tokyo is reviewing the agreement. The Japanese probably will make their position ambiguous in an attempt to placate both Peiping and Taiwan. Tokyo states that for political reasons it cannot risk rejecting the agreement and legally cannot prevent a Communist mission from flying its national flag in Japan. [REDACTED]

*BR*  
Libya: King Idriss may be considering important shifts in both the personnel and structure of the Libyan Government. He is reported to have decided that the present federal system must give way to a strong central government if Libya is to survive external pressures, especially from Egypt. [REDACTED]

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### III. THE WEST

*no*  
France - Tunisia: Gaillard continues to stall for time on the Tunisian issue. Even if he defies rightist threats to break up the coalition, Gaillard's poor opinion of Bourguiba and the general political atmosphere in Paris make likely continued French pressure for further Tunisian concessions either through the good offices mission or in protracted direct negotiations. Bourguiba, however, has probably already made the maximum concessions possible and further prolonged delay would probably cause him to press for UN Security Council action. [REDACTED]

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DAILY BRIEF

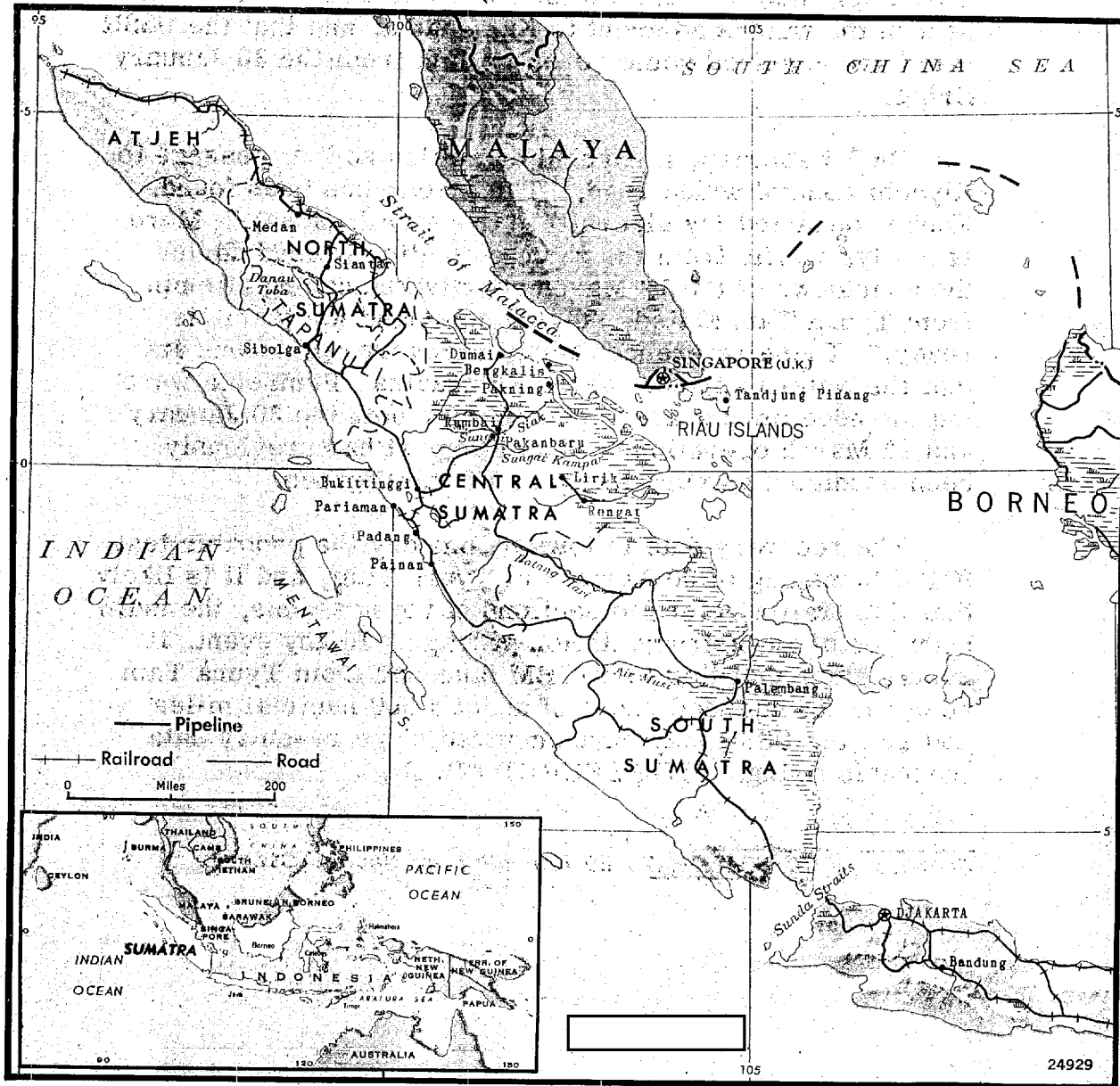
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## II. ASIA-AFRICA

Situation in Indonesia

The Indonesian army G-3 states that an attack on Padang is now set for the second week in April. It is likely that the postponement of this operation from its previously scheduled date of mid-March resulted at least partially from dissident activity in North Sumatra in and around Medan.

The central government claims that its forces have surrounded 300 men led by dissident leader Nainggolan who were withdrawing from Medan and have cut off a possible escape route by way of Lake Toba by destroying lake shipping. If this is true, there appears to be little possibility that the two battalions of dissident troops from Tapanuli who were attempting to rendezvous with Nainggolan can reach him.

South Sumatran commander Lt. Col. Barlian, who has remained neutral, is reported to have relieved a prodissident officer as town commander of Palembang on 17 March. According to earlier evidence, some of Barlian's officers--apparently led by the Palembang commander--had been considering a coup against him unless he declared for the dissidents.

A threat by the revolutionary government that it may sabotage Caltex and Stanvac installations in Central Sumatra rather than permit Djakarta to benefit from their operations is causing concern to company officials.

Djakarta has announced the return to a Dutch shipping company of 37 merchant ships which had been impounded by the Indonesian Government during the anti-Dutch campaign in December. The ships, however, will not be permitted to operate in Indonesian waters. Djakarta explained that they are no longer needed since it has arranged to obtain Soviet and other shipping. The government probably wants to avoid further incidents resulting from Dutch seizures of these ships and prevent their possible use by the dissidents. [REDACTED]

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Japan Considering Action on Trade Agreement With  
Communist China

The Japanese Government apparently has been prepared to endorse the controversial private trade agreement with Communist China, but, as a result of the severing of commercial relations by Nationalist China, Tokyo is reviewing the agreement. The Japanese probably will make their position ambiguous in an attempt to placate both Peiping and Taiwan.

Considerable controversy has resulted from provisions in the agreement which would, if implemented, extend certain diplomatic privileges to a Communist trade mission and permit it to fly the Chinese Communist flag in Japan. Peiping has insisted that these provisions must be accepted before Japanese trade with the China mainland, pressures for which are severe in Japan, can increase.

The Kishi government has indicated that it cannot, in the face of national elections this year, risk rejecting the agreement nor can it legally prevent the Communist mission from flying the flag. Tokyo consistently has maintained that endorsement of the agreement would not constitute recognition of Peiping.

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Libyan King May Reorganize Government

King Idriss is reported planning to abolish Libya's present provincial federation and replace it with a strong, centralized government. The King's plan, motivated largely by his concern over rising Egyptian influence in Libya, would include the appointment of a new cabinet to succeed the one now headed by Prime Minister Kubaar, who is said to have lost the King's confidence. No action is to be taken until after the Moslem holy month of Ramadan, which ends on the night of 19-20 April.

A reorganization would require an understanding with such influential provincial leaders as the governor of Cyrenaica, Husayn Maziq, who may be a strong candidate for the new premiership. Failure to compensate key political figures for their loss of autonomy under a central government would probably cause local dissatisfaction of significant proportions. The King's popularity in Cyrenaica and the support which he appears to have from Maziq and the commander of the powerful Cyrenaican Defense Force, General Bu Qwaytin, would guarantee the approval of the province.

Tripolitania, where a newly elected legislative assembly reflects strong pro-Egyptian sentiment, is likely to react unfavorably, however. Libya's remaining province, the Fezzan, is also jealous of its autonomy and has resented central government interference in the past but possesses little opposition potential.

Libya's internal security forces, including the Cyrenaican Defense Force, are probably capable of enforcing the King's will. [REDACTED]

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## III. THE WEST

France-Tunisia

French Premier Gaillard continues to stall for time on the Tunisian issue. He appears to be making every effort to keep cabinet discussion away from the specific terms of Bourguiba's recent proposal through the good offices mission and to concentrate instead on the possibility of resuming direct negotiations. Paris observers now are more optimistic about chances for a solution, largely on the strength of the favorable impression made on French political leaders by President Bourguiba's relatively moderate Independence Day speech on 20 March.

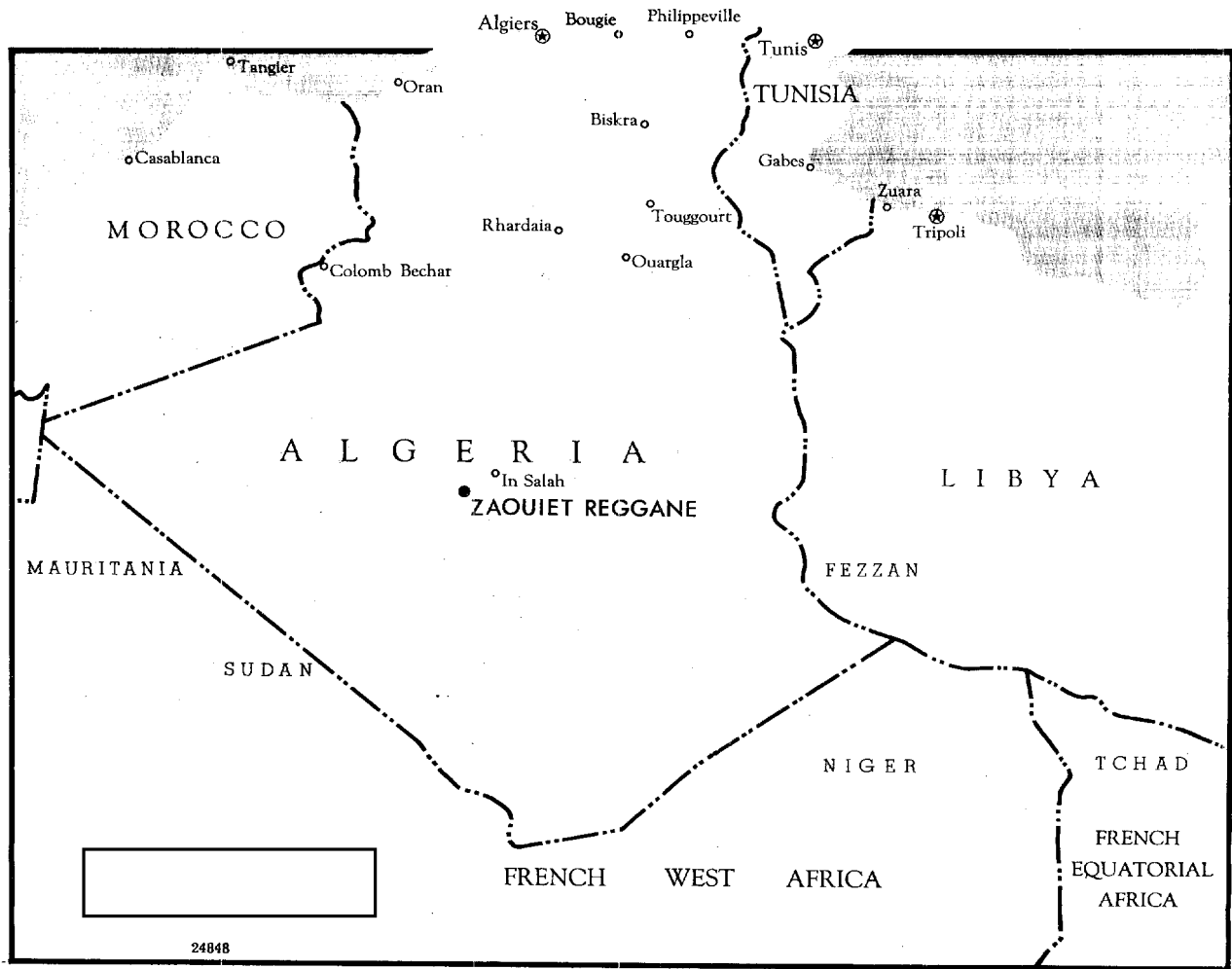
The success of Gaillard's delaying tactics, by which he hopes to avoid a cabinet crisis before the beginning of the vacation period on 28 March, will depend on rightist willingness to risk a showdown. Die-hards in the Independent party's right wing continue to be opposed to any concessions and they have Social Republican, Dissident Radical, and Poujadist support. Nevertheless, they still have to convince the rest of their party that Gaillard is arranging a giveaway in North Africa and his careful avoidance of specifics will increase their difficulty in securing a decision to abandon the coalition.

Even if successful in this maneuver, however, Gaillard's poor opinion of Bourguiba and the general political atmosphere in Paris make likely continued French efforts to obtain further Tunisian concessions. This may be done either through pressure on the good offices mission or in protracted direct negotiations.

Bourguiba, however, has probably already made the maximum concessions possible in the face of continued criticism that his reliance on American-British good offices has thus far proved fruitless. Unless he achieves at least partial fulfillment of his objective--the evacuation of French forces--in the near future, he probably will press for UN Security Council action.

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